

FILED  
Clerk  
District Court

MINUTES OF THE UNITED STATES DISTRICT COURT JUN 27 2024  
FOR THE NORTHERN MARIANA ISLANDS

for the Northern Mariana Islands  
By af  
(Deputy Clerk)

June 27, 2024  
8:30 a.m.

1:24-bk-00002

**IN RE: IMPERIAL PACIFIC INTERNATIONAL (CNMI), LLC**

PRESENT: HON. RAMONA V. MANGLONA, CHIEF JUDGE PRESIDING  
PAMELA HUYNH, LAW CLERK  
FRANCINE ATALIG, COURTROOM DEPUTY  
NEIL VERBRUGGE, ATTORNEY FOR U.S. TRUSTEE (vtc)  
MICHAEL WHITE, ATTORNEY FOR CLEAR MANAGEMENT AND CREDITORS  
MARTIN WRIGHT, CLEAR MANAGEMENT (vtc)  
TIM SHEPHERD, CLEAR MANAGEMENT (vtc)  
CHARLES H. MCDONALD II, ATTORNEY FOR DEBTOR  
MICHAEL CHEN, PRO HAC VICE ATTORNEY FOR DEBTOR (vtc)  
CHUCK C. CHOI, PRO HAC VICE ATTORNEY FOR DEBTOR (vtc)  
ALLISON ITO, PRO HAC VICE ATTORNEY (vtc)  
HOWYO CHI, IPI REPRESENTATIVE  
KARLA MALAGON CASTILLO, ATTORNEY FOR U.S. DEPARTMENT OF LABOR (vtc)  
J. ROBERT GLASS, ATTORNEY FOR CNMI  
KEITH CHAMBERS, II, PROPOSED ATTORNEY FOR CREDITOR COMMITTEE OFFICIAL  
CHRISTOPHER WONG, PROPOSED ATTORNEY FOR CREDITOR COMMITTEE OFFICIAL (vtc)  
COLIN THOMPSON, ATTORNEY FOR USA FANTER AND OTHER CREDITORS (vtc)  
JOEY SAN NICOLAS, ATTORNEY FOR LOI LAM SIT  
AARON HALEGUA, PRO HAC VICE ATTORNEY FOR JOSHUA GRAY (vtc)  
BRUCE BERLINE, ATTORNEY FOR JOSHUA GRAY (vtc)  
JOSHUA GRAY, PLAINTIFF IN CV 19-08  
VINCENT SEMAN, ATTORNEY FOR KAN PACIFIC  
MICHAEL DOTTS, ATTORNEY FOR DOTTS LAW OFFICE

PROCEEDINGS: MOTIONS FOR RELIEF FROM STAY / MOTION FOR ORDER  
AUTHORIZING DEBTOR TO OBTAIN POSTPETITION  
SECURED INDEBTEDNESS

Court addressed Debtor's Motions for Relief from Stay to Pursue Appeal. Attorney Choi responded to the Court's inquiry as to why there was no request to hear this motion sooner and made further arguments in support of the motion. Attorney Halegua argued in opposition to the motion. Attorney Choi argued in response to Attorney Halegua's arguments.

Court entered findings as to the *Curtis* factors and **granted** the Debtor's Motions for Relief from Stay to Pursue Appeal, ECF No's. [71] and [72].

Court then addressed Debtor's Motion for Order Authorizing Debtor to Obtain Postpetition Secured Indebtedness, ECF No. [12]. Attorney Glass reported to the Court that the check was tendered and received by DPL but has yet to clear the account. Attorney Verbrugge reported to the Court that the US Trustee received the certificate of insurance for public liability coverage but not for property damage casualty coverage. Attorney Choi reported that Mr. Howyo Chi encountered difficulties to obtain coverage and that he received three denial letters for the property damage casualty coverage. Nevertheless, efforts are continuing to obtain such insurance.

Court moved on to Attorney Halegua's information regarding the Debtor receiving \$20 million in a separate litigation. Court did not entertain further arguments related to this information in light of Mr. Howyo Chi's Supplemental Declaration, ECF No. [143].

Attorney Choi addressed the second interim order to obtain an additional \$150,000 from Mr. Sit and that the proposed order was circulated and will be submitted to the Court today. Attorney Choi requested an additional \$850,000 to total one million dollars for the second interim order and made further arguments. Attorney Verbrugge addressed the budget and requested that the Debtor obtain additional insurance coverage and stated that a final order is appropriate. He also requested the proposed budget be attached to the final order. Attorney Choi argued in response. Attorney Glass objected to the additional request of funds and made arguments. Attorney Choi responded to the Court's inquiry regarding when the Debtor expects to file the organizational plan and apprised the Court that there are discussions between the Debtor, Committee, and Trustee whether to sell the hotel through a plan or a Section 363 Motion which they intend to file within the next month. Attorney Wong apprised the Court that the parties have been in discussions as to the budget, revised budget, and the catch-all language regarding the insurance and agreed that the insurance issued to the Debtor is valid. Attorney Wong further apprised the Court of an issue regarding Mr. Sit's declaration filed at ECF [140]. Attorney San Nicolas responded to the Court's inquiry of the identity of the other individual and stated he is unaware of the identity. Attorney Choi further responded stating the same.

Court noted that it agreed with Attorney Choi's representation as to the initial financing that the identity of this individual is not crucial and that if it becomes an issue, the Court will address it.

Court **granted** the DIP financing for the final order awarding the additional \$1 million, for a total of \$1.4 million and apprised all it will be the final order for the DIP financing. Attorney Choi to prepare proposed order which is to be circulated and is to further attach the proposed budget to exhibit 1 filed at ECF 143. Court further **granted** the Debtor's request that the final order will include the proposed language to allow the use of DIP financing to provide and pay for additional insurance required in this matter. Court ordered the proposed budget to also be incorporated into the proposed final order.

Adjourned at 9:40 a.m.  
/s/ Francine Atalig, Courtroom Deputy

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CERTIFICATE OF OFFICIAL COURT RECORDER

I, Francine Atalig, certify that I am a duly appointed Courtroom Deputy for the United States District Court for the Northern Mariana Islands, and I was present in the courtroom of this court on 06/27/2024. On this date during the regular course of my profession, I made electronic sound recording(s) of the proceedings, for the above-entitled case. I have played back the recording and certify that it is a true and correct record of the proceedings, that is sufficiently intelligible when played on the FTR Touch, that it can be transcribed without undue difficulty, and that I have filed the original recording with the Clerk of Court, as required by 28 U.S.C. § 753(b).

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